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148 (236)

118

121

lateral Senator, like Hubert Humphrey, and the AFL-CIO, propose instead an individual income tax cut giving emphasis to lower-income reductions. Most economists on both sides declare a tax cut is needed to prime the stagnant economy and stall a spiraling recession. The business idea is that with more after-tax profits, there will be more investment, stimulating the other three industries, which are the most sluggish. The liberal-lateral argument is that we have already overcapacity; what is needed is to raise consumer purchasing power to stimulate production. 120

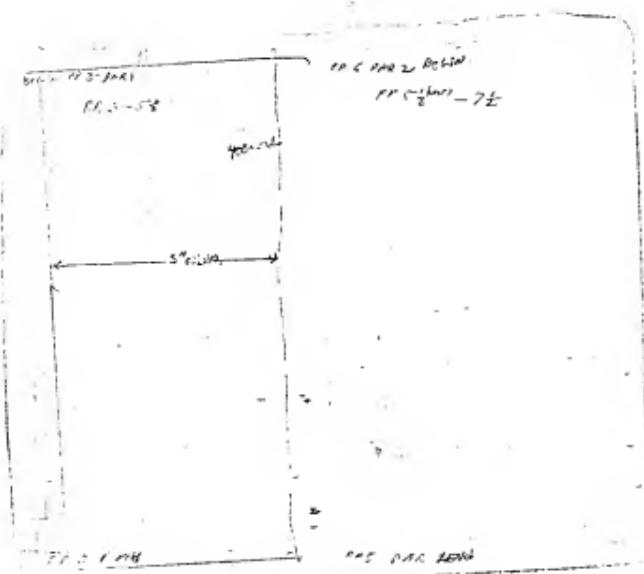
THE PRESIDENT \* echoes the big business view. "The consumer purchasing power has held up. What has been particularly disappointing has been investment and we have to consider whether a tax cut and if so, what kind of a tax cut, would stimulate investment if that becomes our need."

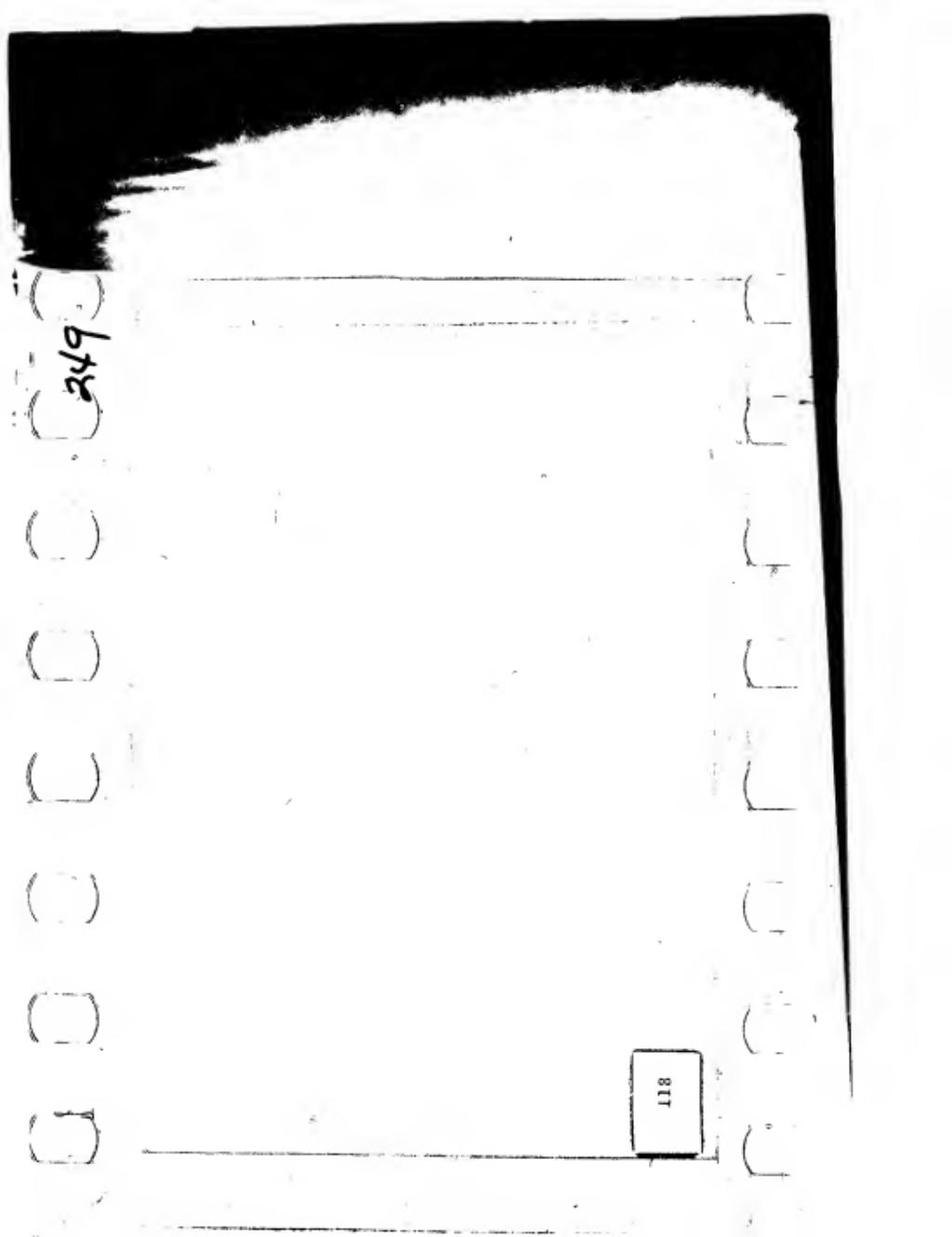
The immediate Chamber of Commerce-type cut should be (A) reduction of many Congressmen's salaries and offices. 65 (B) the corporate tax cut, which is the main item in the 1964 budget. 65 (C) the reduction of the 1964 budget deficit. 65 (D) the reduction of the national debt. 65 (E) the day to tomorrow may be succeeded by next month the economic panic gradually disappears. 120

The big business-Administration argument is never, and labor's argument correct, so far as it goes. The financial journals comment that tax cuts already granted have not, those hearings are unlikely to produce any effect capital investment much. There is plenty of after-tax profits — a record since 1958. The critical lack is any sphere for application of expanded capacity, at home or abroad. 120

65 (267)  
65  
120  
works a certain  
percentage of time

248





249

118